

**§ 1739.2 Funding availability and application dates and addresses.**

(a) RUS will publish, annually in the FEDERAL REGISTER, a Notice of Funds Availability (hereinafter "NOFA") that will set forth the total amount of funding available; the maximum and minimum funding for each grant; the application submission dates; and the appropriate addresses and agency contact information. The NOFA will also outline and explain the procedures for submission of applications, including electronic submissions. RUS may publish more than one NOFA should additional funding become available.

(b) Notwithstanding paragraph (a) of this section, RUS may, in response to a surplus of qualified eligible applications which could not be funded from the previous fiscal year, decline to publish a NOFA for the following fiscal year and fund said applications without further public notice.

**§ 1739.3 Definitions.**

As used in this subpart:

*Bandwidth* means the capacity of the radio frequency band or physical facility needed to carry the Broadband Transmission Service.

*Basic Broadband Transmission Service* means the broadband transmission service level provided by the applicant at the lowest rate or service package level for residential or business customers, as appropriate, provided that such service meets the requirements of this part.

*Broadband Transmission Service* means providing an information-rate equivalent to at least 200 kilobits/second in the consumer's connection to the network, both from the provider to the consumer (downstream) and from the consumer to the provider (upstream).

*Community* means any incorporated or unincorporated town, village, or borough recognized in the U.S. Census in a Rural Area.

*Community Center* means a public building, or a section of a public building with at least ten (10) Computer Access Points, that is used for the purposes of providing free access to and/or instruction in the use of broadband Internet service, and is of the appropriate size to accommodate this purpose. The community center must be

open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday. Examples of facilities that may be partially used for the described purposes include school, library, or city hall.

*Computer Access Point* means a new computer terminal with access to Basic Broadband Transmission Service.

*Critical Community Facilities* means every public school or education center, public library, public medical clinic, public hospital, community college, public university, or law enforcement, fire and ambulance stations in the proposed Service Area.

*Eligible Applicant* shall have the meaning as set forth in §1739.10.

*Eligible Grant Purposes* shall have the meaning as set forth in §1739.12.

*End-User Equipment* means computer hardware and software, audio or video equipment, computer network components, telecommunications terminal equipment, inside wiring, interactive video equipment, or other facilities required for the provision and use of Broadband Transmission Service.

*Matching Contribution* means the applicant's qualified contribution to the Project, as outlined in §1739.14.

*Project* means the applicant's proposed Basic Broadband Transmission Service financed by the grant and Matching Contribution for the proposed Service Area.

*Rural Area* means any area of the United States not included within the boundaries of any incorporated or unincorporated city, village, or borough having a population in excess of 20,000 inhabitants.

*RUS* means the Rural Utilities Service, an agency of the United States Department of Agriculture, which is part of the Rural Development Utilities Program.

*Service Area* means a single Community, and may include the unincorporated areas or locally recognized communities, not recognized in the U.S. Census, located outside and contiguous to the Community's boundaries, in which the applicant proposes to provide Broadband Transmission Service.

*Spectrum* means a defined band of frequencies that will accommodate the Broadband Transmission Service.

## §§ 1739.4–1739.9

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*Telecommunications Terminal Equipment* means the assembly of telecommunications equipment at the end of a circuit or path of a signal, including but not limited to facilities that receive or transmit over-the-air broadcast, satellite, and microwave, normally located on the premises of the end user, that interfaces with telecommunications transmission facilities, and that is used to modify, convert, encode, or otherwise prepare signals to be transmitted via such telecommunications facilities, or that is used to modify, reconvert, or carry signals received from such facilities, the purpose of which is to accomplish the goal for which the circuit or signal was established.

USDA means the United States Department of Agriculture.

### §§ 1739.4–1739.9 [Reserved]

#### § 1739.10 Eligible applicant.

To be eligible for a grant, the applicant must:

(a) Be legally organized as an incorporated organization, an Indian tribe or tribal organization, as defined in 25 U.S.C. 450b(b) and (c), a state or local unit of government, or other legal entity, including cooperatives or private corporations or limited liability companies organized on a for-profit or not-for-profit basis.

(b) Have the legal capacity and authority to own and operate the broadband facilities as proposed in its application, to enter into contracts and to otherwise comply with applicable federal statutes and regulations.

#### § 1739.11 Eligible project.

To be eligible for a grant, the Project must:

(a) Serve a Rural Area where Broadband Transmission Service does not currently exist, to be verified by RUS prior to the award of the grant;

(b) Serve one Community recognized in the latest U.S. Census. Additional communities located in the contiguous areas outside the Community's boundaries that are not recognized (due to size) in the U.S. Census, can be included in the applicant's proposed Service Area, but must be supported by

documentation, acceptable to RUS, as to their existence;

(c) Deploy Basic Broadband Transmission Service, free of all charges for at least 2 years, to all Critical Community Facilities located within the proposed Service Area;

(d) Offer Basic Broadband Transmission Service to residential and business customers within the proposed Service Area; and

(e) Provide a Community Center with at least ten (10) Computer Access Points within the proposed Service Area, and make Broadband Transmission Service available therein, free of all charges to users for at least 2 years.

#### § 1739.12 Eligible grant purposes.

Grant funds may be used to finance:

(a) The construction, acquisition, or leasing of facilities, including spectrum, to deploy Broadband Transmission Service to all participating Critical Community Facilities and all required facilities needed to offer such service to residential and business customers located within the proposed Service Area;

(b) The improvement, expansion, construction, or acquisition of a Community Center that furnishes free access to broadband Internet service, provided that the Community Center is open and accessible to area residents before, during, and after normal working hours and on Saturday or Sunday. Grant funds provided for such costs shall not exceed the greater of five percent (5%) of the grant amount requested or \$100,000;

(c) End-User Equipment needed to carry out the Project;

(d) Operating expenses incurred in providing Broadband Transmission Service to Critical Community Facilities for the first 2 years of operation and in providing training and instruction. Salary and administrative expenses will be subject to review, and may be limited by RUS for reasonableness in relation to the scope of the Project; and

(e) The purchase of land, buildings, or building construction needed to carry out the Project.